

**TITLE 10: CALIFORNIA CODE OF REGULATIONS
CHAPTER 5.8 MANAGED RISK MEDICAL INSURANCE BOARD
HEALTHY FAMILIES PROGRAM**

ARTICLE 2, ELIGIBILITY, APPLICATION AND ENROLLMENT

Test proposed to be added is displayed in underline type.
Text proposed to be deleted is displayed in ~~strikeout~~ type.

Section 2699.6603 is amended to read:

2699.6603. Board Determinations.

- (a) If the Board makes a finding that sufficient funds are not available to cover the estimated costs of program expenditures and that it is necessary to limit enrollment in the program to ensure that expenditures do not exceed amounts available for the program, the program shall establish a waiting list.
- (b)
 - (1) If the Board makes a finding that sufficient funds are not available to cover the estimated cost of program expenditures and that, in addition to limiting new enrollment in the program, it is necessary to terminate subscribers in the program to ensure that expenditures do not exceed amounts available for the program, subscriber children shall be disenrolled from the program at the end of the month of their anniversary date following their Annual Eligibility Reviews. The program shall not effectuate disenrollments pursuant to this subsection unless it also has established a waiting list pursuant to subsection (a) of this section and is not currently enrolling additional children on the basis of new applications of or Add-A-Person forms.
 - (2) Subscriber children who are determined by the California Children's Services Program (CCS) to be currently enrolled for benefits under CCS pursuant to Article 5 (commencing with Section 123800) of Chapter 3 of Part 2 of Division 106 of the Health and Safety Code and financially eligible solely because they are deemed to be income-eligible for CCS pursuant to paragraph 2 of subdivision (a) of Section 123870 of the Health and Safety Code shall not be subjected to disenrollment pursuant to this section.
- (c) If the Executive Director determines that sufficient funds are available to cover the estimated cost of program expenditures for all eligible subscriber

children, the program shall cease the disenrollment of eligible subscriber children pursuant to subsection (b) of this section during Annual Eligibility Review.

- (d)
 - (1) If the Executive Director determines that in addition to sufficient funds for all eligible subscriber children, sufficient funds are available to cover the estimated cost of program expenditures for some or all children on the waiting list, the program shall review applications for children on the waiting list in the order of their effective dates on the waiting list.
 - (2) If the Executive Director determines that sufficient funds are available to cover the estimated costs of program expenditures, the program shall cease to operate a waiting list after processing the applications, including Annual Eligibility Review submissions, and Add-A-Person forms of all children on the waiting list.
- (e) The provisions of subsection (f) of this section shall apply only if terms or conditions applicable to the funding provided for program expenditures do not apply uniformly to all applicants and subscriber children and if, as a result, funding for program expenditures is not available to be spent for the benefit of all applicants and subscriber children equally.
- (f) If necessary, and to the extent necessary, to reflect terms or conditions applicable to the funding provided for program expenditures, the Board or the Executive Director, as applicable pursuant to subsections (a) through (d), inclusive, of section 2699.6603, shall apply the provisions of this section and of section 2699.6604 to one or more groups of applicants or subscriber children independent of the provisions' application to other applicants or subscribers children.

NOTE: Authority cited: Section 12693.21, Insurance Code. Reference: Section 12693.21, and 12693.96 Insurance Code.